Dereservation of items for small scale sector

1361. SHRI VIJAY JAWAHARLAL DARDA:
SHRIMATI MOHSINA KIDWAI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether pruning of reservation from 800 in 1997 to 114 till 2007 for small scale sector, has in any way, adversely affected the production capabilities of small and medium enterprises during the last decade; and

(b) if not, whether his Ministry is proposing further pruning of items relating to stationery goods, electrical appliances, mechanical equipment and organic chemicals with twin objective of inviting additional players, domestic and foreign, into these areas to improve product quality and employment generation?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) The dereservation of products reserved for exclusive manufacture by micro and small enterprises (MSEs) has not had an overall adverse impact on MSEs, as concluded, *inter alia,* by the two empirical studies got conducted by the Government through Dalal Consultants and Engineers Ltd, and Rajiv Gandhi Institute of Contemporary Studies in the years 2001 and 2006 respectively. There is no policy of reservation of medium enterprises for exclusive manufacturing in that sector.

(b) Items related to stationery goods, electrical appliances, organic chemicals and most of the items pertaining to mechanical equipment have since been dereserved. The issue of reservation and de-reservation of the items reserved for exclusive manufacture in MSE sector is examined on a continual basis by the Government, which takes into account the recommendations of the Advisory Committee constituted under the Industries (Development & Regulation) Act, 1951. These reviews consider various relevant aspects including *inter alia,* trends and development in external trade, domestic and global competitiveness, potential for employment and export, technical feasibility and economic viability of manufacture in the MSE sector etc.

Closure of agro-based SSIs

1362. SHRI N.R. GOVINDARAJAR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether agro based small industries are facing stiff competition and closure of units with the entry of multinational companies in products, manufactured in rural areas;

(b) if so, the details thereof;

(c) the number of agro-based enterprises being run by the multinational companies and the effect of these companies on the micro and small industries; and

(d) the steps taken by Government to protect these agro-based rural industries from closure?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) and (b) With the globalisation of Indian economy, the industries in the country, including agro